

Cost Avoidance (Dual or Split Billing)

Effective **July 1, 2005**, South Dakota Medicaid will no longer accept **Other Coverage Codes (NCPDP Field 308-C8)** of **01, 05, 06**, and **07**, when our files indicate a Medicaid client has other insurance coverage for prescription drugs.

Please contact our Telephone Service Unit (1-800-452-7691) if a Medicaid client informs you they do not have prescription drug coverage from another source. This will allow the Department to investigate the discrepancy with the Medicaid data file.

It is necessary that patients follow the coverage guidelines of their primary pharmacy plans. This includes the use of the insurer's network providers, following formulary guidelines and prior authorization policies established by the primary payer. Other Coverage Code 03 is only to be used when a particular drug is absolutely not covered by the primary insurance, but is covered by South Dakota Medicaid. You must maintain documentation of non-coverage by the primary insurance carrier.

Below is the revised table containing acceptable Other Coverage Codes:

Value	Description	Further Clarification
Ø2	Other coverage exists-payment collected	
Ø3	Other coverage exists- claim not covered	
Ø4	Other coverage exists-payment not collected	Used in a payable response, when payment is zero with 100% co-payment.
Ø8	Claim is billing for copay	Used in copay only billing.